



February 18, 2014

Item No. 7

APPROVAL OF CONTRACT MODIFICATION FOR LIFE SAFETY & PLUMBING RISER REPLACEMENT @ LIDIA PUCINSKA APTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution to approve a \$3, 140,527 contract modification to Contract No. 11270 with Madison Construction ("Contract") for the Life and Safety work at Lidia Pucinska Apartments and \$180,000 necessary resident relocation expenses necessitated by the project:

Life Safety & Plumbing Riser Replacement @ Lidia Pucinska Apts.								
General Contractor	Original Contract Value	Current Contract Value	Construction Contract Modifications to be Approved (February Board)	% of Contract - This Change Order	Cumulative Change Order Total	All Change Orders as a Cumulative % of Original Contract	Cumulative Amount Over \$100,000?	Revised Contract Amount
Madison Construction	\$11,418,000	\$11,591,277.26	\$3,140,527.30	27.51%	\$3,313,804.40	29.02%	Yes	\$14,731,804.56

The Interim Acting Vice President of Capital Construction, the Interim Acting Director of Capital Construction, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL: Ensure the Chicago Housing Authority's portfolio is safe, decent and sustainable.

FUNDING: General Fund

VENDOR: Madison Construction

COMPLIANCE: Forthcoming

GENERAL BACKGROUND /EXPLANATION

The Significant Actions Policy ("Policy") states, in part: "Board approval must be obtained prior to CHA incurring liabilities in excess of \$100,000. Modernization activities, change orders, or cumulative change orders in excess of 5% of the contract amount or \$100,000, whichever is greater, must receive Board approval."

During the renovations of Lidia Pucinska for the life safety upgrades and plumbing riser replacement, the contractor discovered the heat risers were leaking from virtually every mechanical joint causing substantial moisture and mold behind the walls. The mold represents a potential health threat to the tenants and the numerous leaks indicate the heating system is operating at a much less than optimum efficiency. The pervasiveness of the leaks could also lead to the complete failure of the system. In addition, the contractor also discovered that the bedroom walls were built using 1 5/8" studs on 24" center, which is inconsistent with building codes and insufficient to properly support drywall.

In order to complete the project, residents must be relocated throughout the duration of the project. The relocation expenses associated with the construction project, (including the change order) is estimated to be \$180,000.

The total value of the proposed contract modification exceeds 5% of the Contract's original contract price, triggering the Policy. The work described below is required to address the above mentioned issues:

FEBRUARY BOARD CONTRACT MODIFICATION LIDIA PUCINSKA APARTMENTS/ANNEX – 838 N. NOBLE ST & 847 N. GREENVIEW				
GENERAL CONTRACTOR	CONTRACT NO.	DESCRIPTION OF WORK	AMOUNT	REASON FOR MODIFICATION
MADISON CONSTRUCTION COMPANY	11270	<ul style="list-style-type: none"> Throughout the building abate existing drywall at interior walls, demo existing drywall partition between living room and bedroom, remove and replace hydronic supply (heat risers) and return piping, remove/repair electrical during demolition, and demolish and replace 9th floor ceiling. Remove any existing wire mold, and replace with new wire and conduit within the partitions throughout the building. Provide baseboards with remote thermostats in each unit. Remove & salvage existing ceiling-mounted devices, light fixtures, and access panels for reuse – 9th floor. Reinstall all ceiling mounted devices, light fixtures, & access panels in new finished ceiling – 9th floor. 	\$3,140,527	Discovered Condition
Revised Contract Amount				\$14,731,804.56

The Capital Construction Department has verified that the amounts proposed to perform the work by the contractors are within an acceptable range of the CHA's Independent Cost Estimates.

In order to complete the project, residents must be relocated throughout the duration of the project. The relocation expenses associated with the construction project, (including the change order) are estimated to be: \$180,000.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Interim Acting Vice President of Capital Construction and the Interim Acting Director of Capital Construction concur with the recommendation to approve \$3,140,527 contract modification to Contract No. 11270 with Madison Construction Company ("Contract") for L.S. and Plumbing Riser Replacement at Lidia Pucinska Apartments and Annex, and \$180,000 necessary resident relocation expenses necessitated by the project.

The CEO/President also recommends the approval of this contract modification.

RESOLUTION NO. 2014-CHA-20

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 18, 2014 entitled "APPROVAL OF CONTRACT MODIFICATIONS FOR LIFE SAFETY & PLUMBING RISER REPLACEMENT @ LIDIA PUCINSKA APTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby approves a \$3,140,527 of contract modification to Contract No. 11270 with Madison Construction for the Life and Safety work at Lidia Pucinska Apartments, and \$180,000 necessary resident relocation expenses necessitated by the project.

Life Safety & Plumbing Riser Replacement @ Lidia Pucinska Apts.								
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This item is subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 and insurance requirements.



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